

EVANS
PRODUCTS COMPANY

Paul J. Graf
Group Attorney
Transportation Systems & Industrial Group

The East Tower
2550 Golf Road
Rolling Meadows, Illinois 60008

13175
RECORDATION NO. Filed 1425

Telephone 312/640-7000

JUL 6 1981 - 1 10 PM

INTERSTATE COMMERCE COMMISSION

June 30, 1981

Mrs. Mildred Lee
Secretary
Interstate Commerce Commission
Office of the Secretary
Washington, DC 20423

RE: Recordation of Lease between Evans Railcar Leasing Company and
Chattahoochee Industrial Railroad.

Dear Mrs. Lee:

I have enclosed four sets of the above mentioned Lease for recordation.
On June 17 I sent you a check in the amount of \$120.00 for the agreements.

Please feel free to call if you have any questions regarding this matter.

Very truly yours,

Paul J. Graf

Paul J. Graf

PJG:sm

Enclosures

LEASE AGREEMENT

JUL 6 1981 - 1 10 PM

THIS LEASE AGREEMENT, made ⁱⁿ ~~INTERSTATE~~ ^{IN} ~~COMMERCE~~ ^{IN} ~~COMMISSION~~ of May, 1981, between EVANS RAILCAR LEASING COMPANY, an Illinois corporation, 2550 Golf Road, Rolling Meadows, Illinois 60008 ("Evans"), as Lessor, and CHATTAHOOCHEE INDUSTRIAL RAILROAD, a Georgia corporation, ("Lessee"), as Lessee.

1. Scope of Agreement

A. Evans agrees to lease to Lessee, and Lessee agrees to lease from Evans, boxcars and/or other railroad equipment of the types and descriptions as set forth in any lease schedules executed by the parties concurrently herewith or hereafter and made a part of this Agreement. The word "Schedule" as used herein includes the Schedule or Schedules executed herewith and any additional Schedules and amendments thereto whether for boxcars or other railroad equipment, each of which when signed by both parties shall be a part of this Agreement. The scheduled items of equipment are hereinafter called collectively the "Boxcars."

B. It is the intent of the parties to this Agreement that Evans shall at all times be and remain the lessor of all Boxcars. Unless so ordered by a court of law or unless Evans shall be in default under this Agreement or any financing agreement pertaining to the equipment leased hereunder, Lessee agrees that it will at no time take any action or file any document which is inconsistent with the foregoing intent and that it will take such action and execute such documents as may be necessary to accomplish this intent.

2. Term

A. This Agreement shall remain in full force until it shall have been terminated as to all of the Boxcars as provided herein. The term of lease with respect to all of the Boxcars described on each Schedule shall be for fifteen (15) years commencing upon the Average Date of Delivery as defined in the Schedule.

B. If this Agreement has not been earlier terminated and no default has occurred and is continuing, it shall automatically be extended for not more than five consecutive periods of twelve months each with respect to that number of Boxcars as shall be designated by Lessee and described on each Schedule, provided, however, that Lessee may terminate this Agreement as to any or all of the Boxcars on any such Schedule by written notice delivered to Evans not less than twelve months prior to the end of the initial lease term or any extended lease term.

3. Supply Provisions

A. Evans will inspect each of the Boxcars tendered by the manufacturer for delivery to Lessee. Prior to such inspection, however, Lessee shall confirm in writing to Evans that the sample Boxcar which will be made available for the Lessee's inspection prior to the commencement of deliveries conforms to the specifications of the equipment agreed to by the Lessee. Upon such approval by Lessee and Evans determination that the Boxcar conforms to the specifications ordered by Evans and to all applicable governmental regulatory specifications, and this Agreement has not been terminated, Evans will accept delivery thereof at the manufacturer's facility and shall notify Lessee in writing of such acceptance. Each of the Boxcars shall be deemed delivered to Lessee upon acceptance by Evans. The Boxcars shall be moved to Lessee's railroad line at no cost to Lessee as soon after acceptance of delivery by Evans as is consistent with mutual convenience and economy. Due to the nature of railroad operations in the United States, Evans can neither control nor determine when the Boxcars leased hereunder will actually be available to Lessee for its use on its railroad tracks. It is understood and agreed that Lessee's liability for rent and the calculation of utilization ratios will not begin until after the Boxcars are delivered to Lessee's railroad line or such other location as may be mutually agreeable. To move the Boxcars to Lessee's railroad line and insure optimal use of the Boxcars after the first loading of freight for each Boxcar on the railroad line of Lessee, Evans agrees to assist Lessee in monitoring Boxcar movements and, when deemed necessary by Lessee and Evans, to issue movement orders with respect to such Boxcars to other railroad lines in accordance with ICC and AAR interchange agreements and rules.

B. Lessee agrees that so long as it shall have on lease any Boxcars, it shall not lease Boxcars from any other party until all of the Boxcars on the Schedule are placed in service. Unless excused by Paragraph 6E of this Agreement, Lessee shall, at Lessee's option, either (i) give preference to Evans and shall load the Boxcars leased from Evans prior to loading boxcars leased subsequently from any other parties or purchased by Lessee subsequent to the date of this Agreement or interchanged with railroads, or, (ii) pay to Evans 76% of the car hire (including mileage computed at a rate of 55 miles per day) Lessee would have earned if such Boxcars were in the physical possession and use of another railroad for the period during which Evans Boxcars are not given preference; provided, however, that this shall in no event prevent or prohibit Lessee from fulfilling its obligations to provide transportation and facilities upon reasonable request therefore to shippers on its railroad tracks. In the event that utilization for a given quarter exceeds 65% or for a given year exceeds 76%, then, for the remainder of such quarter or year Lessee is not required to give loading preference to Boxcars leased from Evans.

C. The delivery of any Boxcar to Lessee shall be subject to manufacturer's delivery schedules, financing satisfactory to Evans and the mutual acknowledgment of the parties that the addition of such Boxcars is not likely to reduce utilization of all Boxcars on lease to Lessee to less than 65 per cent in any calendar quarter. If, due to the factors listed in the preceding sentence, fewer than all of the Boxcars listed on the Schedule shall be delivered to Lessee the term of the lease shall be deemed to have commenced on the date the final Boxcar of the most recent group of Boxcars was delivered to Lessee. Subject to conditions beyond the control of Evans, Evans shall use its best efforts to move all of the Boxcars on the Schedule to Lessee's railroad tracks prior to December 31, 1981.

4. Railroad Markings and Record Keeping

A. Evans and Lessee agree that on or before delivery of any Boxcars to lessee, said Boxcars will be lettered with the railroad markings of Lessee and may also be marked with the name and/or other insignia used by Lessee. Such name and/or insignia shall comply with all applicable regulations. Evans shall pay for Boxcar markings as set forth herein.

B. Lessee shall during the term of this Agreement prepare and file all documents relating to the registration, maintenance and record keeping functions involving the Boxcars. Such documents shall include but are not limited to the following: (i) appropriate AAR documents (ii) registration in the Official Railway Equipment Register and the Universal Machine Language Equipment Register; and (iii) such reports as may be required from time to time by the ICC and/or other regulatory agencies.

C. Each Boxcar leased hereunder shall be registered in the Official Railway Equipment Register and the Universal Machine Language Equipment Register. If cars bear reporting marks owned by Lessee other than CIRR Evans shall if requested by Lessee, perform on behalf of Lessee all record keeping functions related to the use of the Boxcars by Lessee and other railroads in accordance with AAR Railroad Interchange Agreements and Rules, such as Car Hire Reconciliation Correspondence from Railroads using such Boxcars shall be addressed to Lessee at such address as Evans and Lessee shall select.

D. All record keeping performed by Lessee or Evans hereunder and all record of payments, charges and correspondence related to the Boxcars shall be separately recorded and maintained by Lessee or Evans in a form suitable for reasonable inspection by the other from time to time and upon reasonable notice during regular business hours of the party maintaining the records.

E. Lessee may, at Lessee's option and expense, modify car insignias, logos and colors other than required AAR markings on sixty (60) days prior written notice to Evans. Any such change shall always conform to the provisions of Rule 8 of the Code of Car Service Rules and any other applicable regulations.

5. Maintenance, Taxes and Insurance

A. Except as otherwise provided herein, Evans will pay all cost expenses, fees and charges incurred in connection with the use and operation of each of the Boxcars during its lease term and any extension thereof, including but not limited to repairs, maintenance and servicing, unless the same was occasioned by the fault of Lessee while such Boxcar is in the physical possession of Lessee. Lessee shall inspect all Boxcars interchanged to it to insure that such Boxcars are in good working order and condition and shall be liable to Evans for any repairs required for damage not noted at the time of interchange.

B. Except as provided above, Evans shall make or cause to be made such inspections of, and maintenance and repairs to, the Boxcars as may be required. Upon request of Evans, and if agreed to by Lessee, Lessee shall at Evans' cost and expense, perform any necessary maintenance and repairs to Boxcars on Lessee's railroad tracks as may be reasonably requested by Evans. Evans shall also make, at its expense, all alterations, modification or replacement of parts, as shall be necessary to maintain the Boxcars in good operating condition throughout the term of the lease of such Boxcars. Lessee may make running repairs at Evans' cost and expense to facilitate continued immediate use of a Boxcar, but shall not otherwise make any repairs, alterations, improvements or additions to the Boxcars without Evans' prior written consent. If Lessee makes an alteration, improvement or addition to any Boxcar without Evans' prior written consent, Lessee shall be liable to Evans for any revenues lost due to such alteration. Title to any such alteration, improvement or addition shall be and remain with Evans, except to the extent that such alteration, improvement or addition may be removed by Lessee without damage to the Boxcar.

C. Lessee will at all times while this Agreement is in effect, be responsible for the Boxcars while on Lessee's railroad tracks in the same manner that Lessee is responsible under Rule 7 of the AAR Car Service and Car Hire Agreement Code of Car Service Rules -- Freight for cars not owned by Lessee on Lessee's railroad tracks. Lessee shall protect against the consequences of an event of loss involving the Boxcars while on Lessee's railroad tracks by either obtaining insurance or maintaining a self insurance program which conforms to sound actuarial principles. If Lessee elects to carry insurance, it shall furnish Evans concurrently with the

execution hereof and thereafter at intervals of not more than 12 calendar months with a certificate of insurance with respect to the insurance carried on the Boxcars signed by an independent insurance broker. All insurance shall be taken out in the name of the Lessee and Evans (or its assignee) as their interests may appear.

D. Evans agrees to reimburse Lessee for all taxes, assessments and other governmental charges of whatsoever kind or character paid by Lessee relating to each Boxcar and on the lease, delivery or operation thereof which may remain unpaid as of the date of delivery of such Boxcar to Lessee or which may be accrued, levied, assessed or imposed during the lease term, except taxes on income imposed on Lessee. Evans and Lessee will comply with all state and local laws requiring the filing of ad valorem tax returns on the Boxcars. Evans shall have the reasonable right to review all applicable tax returns prior to filing.

6. Lease Rental

A. Lessee agrees to pay the following rent to Evans for the use of the Boxcars:

(i) Evans shall receive 100 per cent of all payments made to Lessee by other railroad companies for their use or handling of the Boxcars, including but not limited to mileage charges, straight car hire payments and incentive car hire payments (all of which payments made to Lessee are hereinafter collectively referred to as "Payments") if the utilization of all of the Boxcars delivered to Lessee on an aggregate basis for each calendar year shall be equal to or less than 76 per cent. Lessee shall be entitled to all additional Payments received in respect of the Boxcars. For the purpose of this Agreement, utilization of the Boxcars shall be determined by a fraction, the numerator of which is the aggregate number of days in each calendar year that car hire payments are earned by Lessee on the Boxcars, commencing from the initial loading and the denominator of which is the aggregate number of days in each year that the Boxcars are on lease to Lessee, commencing from the initial loading (such term referred to as "utilization").

(ii) If Evans pays other railroads to move Boxcars in accordance with Section 3A, except for any payments incurred to deliver such Boxcars to Lessee's railroad line, Lessee shall reimburse Evans for such payments only from and out of the monies received by Lessee pursuant to this Subsection 6A.

(iii) The rental charges payable to Evans by Lessee shall be paid from the payments received by Lessee in the following order until Evans receives the amounts due it pursuant to this section: 1) straight car hire payments; 2) mileage charges and 3) other (excluding fifty percent (50%) of

any demurrage, which amount will be retained by Lessee), except that penalty payments associated with late payment of car hire monies shall accrue to the party responsible for car accounting.

(iv) In the event damage beyond repair or destruction of a Boxcar has been reported in accordance with Rule 7 of the AAR Car Service and Car Hire Agreement Code of Car Hire Rules -- Freight and the appropriate amount due as a result thereof is received by Evans, said damaged or destroyed Boxcar will be removed from the coverage of this Agreement as of the date that payment of car hire payments ceased.

B. The calculations required above shall be made within three months after the end of each calendar quarter. However, Lessee shall pay the rentals due hereunder on a monthly basis from payments actually received by it on account of the Boxcars. Whenever actual monthly utilization is less than or equal to seventy-six per cent (76%) for any single month, Evans shall receive one hundred per cent (100%) of the total car hire revenue received by Lessee and attributable to that month. Whenever actual monthly utilization exceeds seventy-six per cent (76%) for any single month, Evans shall receive all car hire revenues attributable to the first seventy-six per cent (76%) of utilization and Lessee shall be entitled to all car hire revenues attributable to utilization above seventy-six per cent (76%). Lessee shall pay all payments due to Evans two (2) months in arrears by the last day of such second month. In addition, amounts paid pursuant to this paragraph shall be adjusted at the end of each calendar quarter. For purposes of such adjustment, Lessee shall calculate actual utilization each calendar quarter and amounts paid to either party in excess of such quarterly calculations shall be promptly refunded to the appropriate party.

C. In the event utilization in any calendar quarter is less than sixty-five per cent (65%) or during any calendar year, less than seventy-six per cent (76%), or if at any time during a calendar quarter the number of days that the Boxcars have not earned car hire payments is such as to make it mathematically certain that the utilization cannot be equal to or greater than sixty-five per cent (65%), or seventy-six per cent (76%) for any calendar year, Evans may, after oral or written consultation with Lessee, at its sole option, upon not less than ten (10) days' prior written notice to Lessee, terminate this Agreement as to such Boxcars as Evans shall determine. It is understood, however, that Evans shall have the right to terminate only such Boxcars as may be necessary to cause the utilization rate on the remaining cars to rise to the seventy-six per cent (76%) annual and sixty-five per cent (65%) quarterly levels as heretofore set forth.

In the event Evans shall, for any reason, terminate the lease as to any Boxcars, the Lessee shall at its sole

option have the right to terminate the lease without liability or penalty as to all, or a portion, of the remaining Boxcar Leases.

Notwithstanding the foregoing, Lessee shall have the right and option during any quarter or year during the lease term to pay Evans an amount which when added to car hire payments earned during such quarter or year will equal the car hire payments that would have been earned had the utilization been 65% with respect to a calendar quarter or 76% with respect to a calendar year, thereby cancelling the right which Evans would otherwise have ~~to terminate the lease as to~~ (under this or any other provision of this agreement) certain of the Boxcars.

D. Lessee may, at its option, terminate this Agreement if the I.C.C. shall, at any time, require that Lessee spend funds not earned by the Boxcars in order for Lessee to continue to meet its obligations set forth in this section.

E. Subsequent to the initial loading, if a Boxcar remains on Lessee's railroad tracks for more than thirty (30) consecutive days because of a Force Majeure condition or a railroad strike, a shipper strike or shutdown, a shipper equipment outage or a shipper raw material shortage, Evans may, at its option and upon not less than twenty-four (24) hours prior written notice, terminate this Agreement as to such Boxcar and withdraw such Boxcar from Lessee's railroad tracks. While a Boxcar remains on Lessee's railroad tracks because of any condition included above, Lessee shall incur no liability for any payment. However, anytime a Boxcar has remained on the Lessee's railroad tracks for more than seven (7) consecutive days, Lessee shall use its best efforts to assist Evans in arranging to have the Boxcar loaded on the tracks of another railroad. After subtracting the expenses of Evans and Lessee to effect the loading arrangement set forth in the preceding sentence, all monies earned by the Boxcar from the date it is interchanged off the Lessee's railroad track until it is subsequently loaded on the Lessee's railroad tracks shall be divided between Evans and Lessee in the same proportion as set forth in this agreement.

7. Possession and Use

A. This Lease and Lessee's rights hereunder are and shall be subject and subordinate to any lease, chattel mortgage, security agreement or equipment trust or other security instrument covering the Boxcars heretofore or hereafter created by Evans provided only that so long as Lessee is not in default under the Lease, Lessee shall be entitled to peaceful and quiet possession of the Boxcars. Lessee agrees that to the extent it has physical possession and can control use of the Boxcars, the Boxcars will at all times be used and operated under and in compliance with the laws of the jurisdiction in which the same may be located and

in compliance with all lawful acts, rules and regulations and orders of any governmental bodies or officers having power to regulate or supervise the use of such property, except that either Evans or Lessee may in good faith and by appropriate proceedings contest the application of any such rule, regulation or order in any reasonable manner at the expense of the contesting party.

B. Lessee will not directly or indirectly create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance, other security interest or claim on or with respect to the Boxcars or any interest therein or in this Agreement or Schedule thereto. Lessee will promptly, at its expense, take such action as may be necessary to duly discharge any such mortgage, pledge, lien, charge, encumbrances, security interest, or claim ("Encumbrance") if the same shall arise at any time, except as to any Encumbrance which shall arise as a result of an act, or failure to act, by Evans or any third party not affiliated with the Lessee.

8. Default

A. The occurrence of any of the following events shall be an event of default:

(i) The nonpayment by Lessee of any sum required herein to be paid by Lessee within ten (10) days after the date any such payment is due.

(ii) The breach by Lessee of any other term, covenant, or condition of this Agreement, which is not cured within ten (10) days after written notice of same has been given by Evans to Lessee; provided however, that if such breach cannot be reasonably cured within ten (10) days after notice, then Lessee shall have a reasonable period to cure such breach in a timely manner.

(iii) Any act of insolvency by Lessee, or the filing by Lessee of any petition or action under any bankruptcy, reorganization, insolvency or moratorium law, or any other law or laws for the relief of, or relating to, debtors.

(iv) The filing of any involuntary petition under any bankruptcy, reorganization, insolvency or moratorium law against Lessee that is not stayed or dismissed within sixty (60) days thereafter, or the appointment of any receiver or trustee to take possession of the properties of Lessee, unless such petition or appointment is set aside or withdrawn or ceases to be in effect within sixty (60) days from the date of said filing or appointment.

(v) The subjection of a material portion of Lessee's property to any levy, seizure, assignment application or sale for or by any creditor or governmental agency.

(vi) Any action by Lessee to discontinue rail service on all or a material portion of its tracks or abandon a material portion of its rail properties pursuant to applicable provisions of the Interstate Commerce Act or laws of any state.

B. Upon the occurrence of any event of default and if such default shall be continuing, Evans may, at its option, terminate this Agreement and may

(i) Proceed by any lawful means to enforce performance by Lessee of this Agreement or to recover damages for a breach thereof (and Lessee agrees to bear Evans' costs and expenses, including reasonable attorneys' fees, in securing such enforcement), or

(ii) By notice in writing to Lessee, terminate Lessee's rights of possession and use of the Boxcars, whereupon all rights and interest of Lessee in the Boxcars shall terminate, and thereupon Evans may peaceably enter upon any premises where the Boxcars may be located and take possession of them and henceforth hold, possess and enjoy the same free from any right of Lessee. Evans shall nevertheless have the right to recover from Lessee any and all rental amounts which under the terms of this Agreement may then be due or which may have accrued to that date.

9. Termination

At the expiration or termination of this Agreement as to any Boxcars, Lessee will surrender possession of such Boxcars to Evans by delivering the same to Evans. A Boxcar shall be no longer subject to this Agreement upon the removal of Lessee's reporting marks from the Boxcar and the placing thereon of such reporting marks as may be designated by Evans, either, at the option of Evans, (1) by Lessee upon return of such Boxcars to Lessee's railroad line or (2) by another railroad line which has physical possession of the Boxcar at the time of or subsequent to termination of the lease term as to such Boxcar. If such Boxcars are not on the railroad line of Lessee upon termination, any cost of assembling, delivering, storing, and transporting such Boxcars to Lessee's railroad line or the railroad line of subsequent lessee shall be borne by Evans. If such Boxcars are on the railroad line of Lessee upon such expiration or termination or are subsequently returned to Lessee's railroad line, Lessee shall at its own expense within five working days remove Lessee's reporting markings from the Boxcars and place thereon such markings as may be designated by Evans. After the removal and replacement of markings, Lessee shall use its best efforts to

load such Boxcars with freight and deliver them to a connecting carrier for shipment. To the extent that Lessee has adequate storage space, Lessee shall provide up to thirty (30) days free storage on its railroad tracks for Evans or the subsequent lessee of any terminated Boxcar. If any Boxcar is terminated pursuant to subsections 6C or 6E or section 8 prior to the end of its lease term Lessee shall be liable to Evans for all costs and expenses incurred by Evans to repaint the Boxcars and place thereon the markings and name or other insignia of Evans subsequent lessee.

10. Indemnities

Evans will defend, indemnify and hold Lessee harmless from and against (1) any and all loss or damage of or to the Boxcars, usual wear and tear excepted, unless occurring while Lessee has physical possession of Boxcars and (2) any claim, cause of action, damage liability, cost or expense which may be asserted against Lessee with respect to the Boxcars other than loss or physical damage (unless occurring through the fault of Lessee), including without limitations the construction, purchase and delivery of the Boxcars to Lessee's railroad line, ownership leasing or return of the Boxcars, or a result of the use, maintenance, repair replacement, operation or the condition thereof (whether defects, if any, are latent or are discoverable by Evans or Lessee).

11. Representations, Warranties and Covenants

Lessee represents, warrants and Covenants that:

(i) Lessee is a corporation duly organized, validly existing and in good standing under the laws of the state where it is incorporated and has the corporate power, authority and is duly qualified and authorized to do business wherever necessary, to carry out its present business and operations and to own or hold under lease its properties and to perform its obligations under this Agreement.

(ii) The entering into and performance of this Agreement will not violate any judgment, order, law or regulation applicable to Lessee, or result in any breach of, or constitute a default under, or result in the creation of any lien, charge, security interest or other encumbrance upon any assets of Lessee or on the Boxcars pursuant to any instrument to which Lessee is a party or by which it or its assets may be bound.

(iii) There is no action or proceeding pending or threatened against Lessee before any court or administrative agency or other governmental body which might result in any material adverse effect on the business,

properties and assets, or conditions, financial or otherwise, of Lessee.

(iv) There is no fact which Lessee has not disclosed to Evans in writing, nor is Lessee a party to any agreement or instrument or subject to any charter or other corporate restruction which, so far as the Lessee can now reasonably foresee, will individually or in the aggregate materially adversely affect the business, condition or any material portion of the properties of the Lessee or the ability of the Lessee to perform its obligations under this Agreement.

12. Inspection

Evans shall upon reasonable notice and during normal business hours have the right to enter the Lessee's premises where the Boxcars may be located for the purpose of inspecting and examining the Boxcars to insure Lessee's compliance with its obligations hereunder. Lessee shall immediately upon being informed notify Evans of any accident connected with the malfunctioning or operation of Boxcars, including in such report the time, place and nature of the accident and the damage caused, the names and addresses of any persons injured and of witnesses and other information pertinent to Lessee's investigation of the accident. Lessee shall also notify Evans in writing within five (5) days after being informed of any attachment, tax lien or other judicial process shall attach to any Boxcar. Lessee shall furnish to Evans promptly upon its becoming available, a copy of its annual report submitted to the ICC and, when requested, copies of any other income or balance sheet statements required to be submitted to the ICC.

13. Miscellaneous

A. This Agreement and the Schedules contemplated hereby shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns, except that Lessee may not without the prior written consent to Evans, which consent shall not unreasonably be withheld, assign this Agreement or any of its rights hereunder or sublease the Boxcars to any party and any purported assignment or sublease in violation hereof shall be void.

B. Both parties agree to execute the documents contemplated by this transaction and such other documents as may be required in furtherance of any financing agreement entered into by Evans in connection with the acquisition of the Boxcars in order to confirm the financing party's interest in and to the Boxcars, this Agreement and Schedule hereto and to confirm the subordination provisions contained in Section 7 and in furtherance of this Agreement.

C. It is expressly understood and agreed by the parties hereto that this Agreement constitutes a lease of the Boxcars only and no joint venture or partnership is being created. Notwithstanding the calculation of rental payments, nothing herein shall be construed as conveying to Lessee any right, title or interest in the Boxcars except as a Lessee only.

D. No failure or delay by Evans shall constitute a waiver or otherwise affect or impair any right, power or remedy available to Evans, nor shall any waiver or indulgence by Evans or any partial or single exercise of any right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

E. This Agreement shall be governed by and construed according to the laws of the State of Georgia.

F. All notices hereunder shall be in writing and shall be deemed given when delivered personally or when deposited in the United States mail, postage prepaid, certified or registered, addressed to the President of the other party at the address set forth above.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

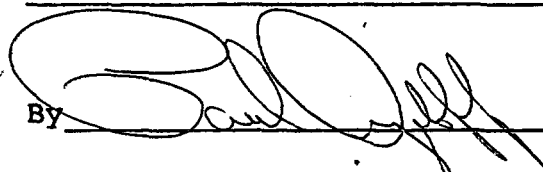
EVANS RAILCAR LEASING COMPANY

CHATTAHOOCHEE INDUSTRIAL RR

By



By



Title

Sr. VP - Marketing

Title

VP & Gen Mgr

Date

May 13, 1981

Date

May 4 1981

AMENDMENT NO. 1

AMENDMENT NO. 1 to that certain Lease Agreement dated May 4th, 1981, by and between EVANS RAILCAR LEASING COMPANY ("Evans"), as Lessor, and CHATTAHOOCHEE INDUSTRIAL RAILROAD ("Lessee"), as Lessee.

WITNESSETH:

WHEREAS, the parties have entered into that certain Lease Agreement as above indicated; and

WHEREAS, the parties now desire to amend said Lease in certain respects;

NOW, THEREFORE, anything in the foregoing Lease to the contrary notwithstanding, the parties agree as follows:

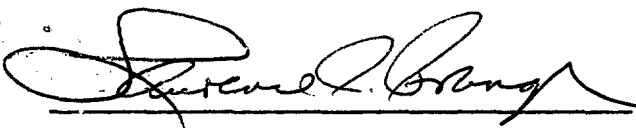
1. Evans agrees, during the seventh and eight years of the Lease, to inspect all of the cars and to take such rehabilitative measures mutually agreed upon by Evans and Lessee as being necessary to insure that the cars are in good operating condition and repair.

2. In the event that any of the cars are out of service due to bad order or other reason, for a period of ninety (90) consecutive days, then such cars shall thereafter be deleted from the utilization calculation set forth in paragraph 6 of the Lease until such time as the cars are repaired and returned to service.

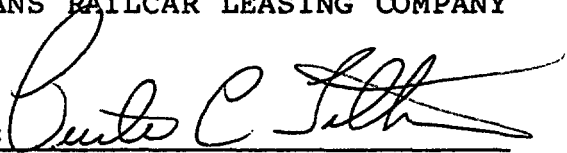
IN WITNESS WHEREOF, the parties hereto have signed this Amendment No. 1, this 4th day of May, 1981.

Attest:

EVANS RAILCAR LEASING COMPANY

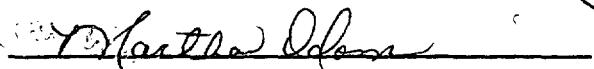


By:

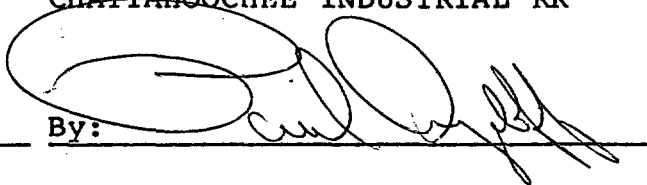


Attest:

CHATTAHOOCHEE INDUSTRIAL RR



By:



MY COMMISSION EXPIRES MARCH 24, 1984

SCHEDULE ONE

Lease dated May 4, 1981, by and between EVANS
RAILCAR LEASING COMPANY ("Evans") and CHATTAHOOCHE INDUSTRIAL
RAILROAD, ("Lessee").

DESCRIPTION OF CAR: New 70-Ton 50' 6" XP Boxcars

NUMBER OF CARS: 200

REPORTING NUMBERS AND MARKS: CIRR 91000 through 91199
inclusive.

PLACE OF DELIVERY: Lessee's Railroad Line

TERM: Fifteen (15) years from the average date of delivery and acceptance of each Car covered by this Schedule. Average date of delivery is that date which is determined by (i) multiplying the number of Cars delivered by Evans on each day by the number of days elapsed between such day and date of delivery of the first Car hereunder, and (ii) adding all of the products so obtained and dividing that sum by the total number of Cars delivered and (iii) adding such quotient rounded out to the nearest whole number to the date of delivery of the first Car. The date on which delivery of a Car shall be deemed to have been made will be the day following delivery of the Car to the Lessee, as specified in Paragraph 2.

SPECIAL TERMS: Evans agrees that Lessee shall be entitled to Investment Tax Credit in accordance with Section 48 (d) of the Internal Revenue Code and the regulations thereunder, and agrees to deliver to Lessee after execution of the Lease, such documents as may be requested, and required by such section and regulations reflect the ITC pass-through.


Lessee

CHATTAHOOCHEE IND. R.R.

EVANS RAILCAR LEASING COMPANY
Lessor